

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1675-04
Bill No.: Truly Agreed To And Finally Passed SCS for HB 693
Subject: Amends various provisions relating to the administrative hearing commission.
Type: Original
Date: May 9, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** and **Office of Administration - Administrative Hearing Commission** stated the proposed legislation would not fiscally impact their organizations.

Officials from the **Office of Secretary of State (SOS)** did not respond to our request for fiscal impact. However, in response to an earlier version of this bill, the SOS estimated the cost of the proposal to be \$738 [(12 pgs. x \$27 Code of State Regulations) + (18 pgs. x \$23 Missouri Register)] for FY 02.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Social Services - Division of Medical Services, Division of Child Support Enforcement, and Division of Aging** stated the proposed legislation would not fiscally impact their divisions.

Officials from the **Department of Social Services - Division of Family Services (DFS)** stated Section 208.153 addresses the cost for services provided to Medical Assistance recipients and Section 208.156 stipulates only providers of medical services may appeal to the Administrative Hearing Commission to resolve disputes and issues involving claims. Since the Administrative Hearing Commission resolves disputes or issues involving claims by service providers and not matters involving public assistance to recipients, the DFS officials assume that enactment of this bill would result in a zero fiscal impact to their division.

Officials from the **Department of Social Services (DOS) - Division of Legal Services (DLS)** stated there are provisions of this bill beyond the scope of the DOS. These provisions deal with the Administrative Hearing Commission's (AHC) responsibilities under Chapter 407 dealing with merchandising practices. As applied to the DOS, this bill requires the DOS to provide parties with written notice of their right to appeal to the AHC to obtain review of any of the actions of the DOS specified in subsection 2, 3, or 4 of Section 208.156, RSMo.

The DLS officials stated this bill also repeals several provisions of law relating to AHC jurisdiction which were ruled unconstitutional by the Missouri Supreme Court in 1982. *State Tax Commission v. Administrative Hearing Commission*, 641 S.W. 2d 69 (Mo. Banc 1982).

ASSUMPTION (continued)

This version of the bill (different from last year's HB # 1546), also provides for videoconferencing at AHC hearings. Any party may request that the hearing be held by means of videoconferencing. If the request is granted, the requesting party may be charged by the Office of Administration the costs for the videoconferencing. Currently, those charges are (as examples when using Office of Administration facilities): a) Videoconferencing between Jefferson City (use of Jefferson City facility, \$70.00/hour) and Kansas City (use of Kansas City facility, \$50.00/hour), total of \$120.00/hour; b) Videoconferencing between Jefferson City (use of Jefferson City facility, \$70.00/hour) and St. Louis (use of St. Louis facility, \$50.00/hour), total of \$120.00/hour; and c) Three-way videoconferencing between Jefferson City (use of Jefferson City facility, \$70.00/hour), Kansas City (use of Kansas City facility, \$50.00/hour), and St. Louis (use of St. Louis facility, \$50.00/hour), total of \$170.00/hour.

These costs would only be incurred by the DOS if the DOS requested the use of videoconferencing. Normally, the DOS would not request videoconferencing because the DOS witnesses are customarily here in the Cole County area. In those cases where the DOS may need a witness from Kansas City or St. Louis, it may actually be cost effective to have the particular witness testify by videoconference rather than travel to and from Kansas City or St. Louis (or any other area of the state) incurring travel cost, meal costs, and possibly lodging cost and "down time" while traveling and testifying. For example, an employee traveling from Kansas City or St. Louis (approximate round trip of 300 miles) would incur mileage expenses of \$88.50, plus meals of approximately \$20.00, plus (for an employee with a \$25,000 annual salary which would translate to approximately \$12.00/hour) \$96.00 to be out of the office all day (2 hours to Jefferson City, 2 hours back to St. Louis or Kansas City, 4 hours testifying or waiting to be called). In addition, there is the fact that this employee is not able to perform their usual job duties for that day. The total calculable cost for that witness' attendance would be \$204.50. If they only testified for one hour, the cost of the videoconferencing would be \$120.00. The net savings to the agency would be \$84.50.

Conclusions:

(a) There would be no cost to the agency unless the agency requested that part or all of the hearing be conducted by videoconference. Even if part or all of the hearing were conducted by videoconference at the agency's request, there could be an actual cost savings in so doing.

(b) For small business, as well, there would be no cost to the small business (for example, a nursing facility) unless the business requested that part or all of the hearing be conducted by videoconference. Even if part or all of the hearing were conducted by videoconference at the business's request, there could be an actual cost savings in so doing.

FISCAL IMPACT - State Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.) <u>\$0</u>	FY 2003 <u>\$0</u>	FY 2004 <u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.) <u>\$0</u>	FY 2003 <u>\$0</u>	FY 2004 <u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposed legislation makes several changes in the law regarding administrative agency proceedings. The bill: (1) clarifies that persons in the business of buying or selling motor vehicles in the state are subject to the jurisdiction of administrative agencies; (2) repeals the provisions allowing the Administrative Hearing Commission 10 days to set a hearing date, upon receipt of an application, and 60 days to issue a final decision; (3) includes motorcycles and all-terrain vehicles within the category of motor vehicles, for purposes of the Administrative Hearing Commission's authority to regulate, and allows the commission to establish a filing fee for the cases; (4) requires a notice of the right to appeal to be issued with any ruling of the commission on any decision involving the Department of Social Services' denial of public medical assistance; (5) allows any party before the commission to request that their hearing be held by video conferencing; (6) repeals several sections granting the commission authority to issue summary judgments on agency rules; and (7) any rule created under the authority of this section will become effective only if it complies with the provisions of chapter 536, RSMo. If any of the powers vested with the general assembly are held unconstitutional, then the grant of rulemaking authority adopted after August 28, 2001 will be invalid and void.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

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Office of Administration - Administrative Hearing Commission

Department of Revenue

Department of Social Services

NOT RESPONDING: Office of Secretary of State

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large, circular initial "J" and a long, sweeping horizontal stroke at the end.

Jeanne Jarrett, CPA
Director

May 9, 2001